



*Montana
Schools
Unemployment
Insurance
Program*

BUSINESS, LABOR & ECONOMIC AFFAIRS

EXHIBIT No. 1

DATE 2-9-07

BILL No. SB 355

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The question was asked if the school district would continue to provide and pay health benefits for employees if they are allowed unemployment benefits for the summer. Following are some of the responses:

Respondent	Comments
Bridger	If the employee was compensated through unemployment I would recommend the board not pay the District's share of the premium during the off time. We would have to apply those moneys to our increased Unemployment Premium.
Canyon Creek	This bill is a wretched idea. All employees know from the "get go" that they are only contracted for a specific period of time. They are free to work elsewhere during the remainder of the year.
Corvallis	Unsure of what the Board's action would be – But, I think the Board would continue the coverage as to move individuals on and off the plan may not be in the best interest of the pool.
Dutton	The unemployment payments would have a huge impact on districts and the school fund. I believe that the reason people choose to work in a school is because of time off in the summer and with their children. They can't have their cake and eat it too! They could find other seasonal work if they need to or MANY schools offer summer opportunities for staff in summer programs, maintenance, etc.
Elysian	My personal thoughts on the matter are that unemployment benefits paid during summer months or scheduled breaks would be devastating for school districts of all sizes. I hope that this bill dies immediately. Furthermore, people who work part time for schools know in advance that they have a break in employment where they will not be receiving pay, if that is not ok with them, and then they should look elsewhere for full time employment.

Ennis	Would we continue to pay should these employees become eligible for unemployment insurance in the summer? I am not sure. That would be a question for our board to decide. We have no unions for our classified staff, so that is not an issue. Therefore, I am quite sure that discontinuing this coverage would certainly be considered to reduce costs and to help pay the increased cost of unemployment insurance for our employees. Our district certainly is not in favor of this bill. Our employees are contracted in the spring to return to work in the fall. Would this still mean that they would be eligible for unemployment during those months? Please let us know if contacts are a help to avoid this potential liability.
Evergreen	I cannot say if we would continue to provide this in the event this bill passes. While our classified staff is not organized, it could cause problems if we discontinued that coverage based on unemployment. A good discussion for our Board and Administrators.
Fairfield	Unemployment insurance is paid from the retirement funds - we would probably end up permissively levying more to cover those increased costs which would be a greater burden on our tax payers.
Fair-Mont-Egan	We are not in favor of unemployment claims for this period due to the added cost
Fromberg	Eliminating the insurance premium cost would definitely be a way to pay for the increase in unemployment insurance premiums, but the board would have to decide
Grass Range	The state/employer has no business compensating these people for a 12 month year that they did NOT work. What a wonderful way to remove the incentive to work full time.
Harlem	We have a collective bargaining agreement with our classified staff but would have to take a serious look at terminating our 9-month employees in May each year and discontinuing their insurance. How could we pay their insurance as a current employee if they say they're unemployed?? Then we would have to re-hire for all the positions in the fall.
Harlowton	Should this bill pass we would not likely take this benefit away, however, the salary/wage increase would be minimal, if at all, with the type of additional expense that would have to come down to the district to cover. Even though unemployment is covered by the county levy I am quite sure the local taxpayer would soon be crying foul and we would have a hard time collecting the taxes. This would affect 30 classified employees for our district and several hours of paperwork for others.
Harrison	I am against having unemployment paid for employees that are on scheduled breaks, etc.

Helena Flats	I don't know if we would continue this practice or not. As far as the District is concerned they are still employed during breaks because we allow them to use their vacation hours. Unfortunately, in most cases the vacation pay runs out before the break is over. I do have concerns regarding the recall. Through out the summer we will ask some of those employees to work if there are things that need to be done. If they are receiving benefits, my guess is that they will not come in to work those hours. Then what? Do we have the choice to not continue employment when school starts? Would they loose unemployment benefits if they did not respond to the District request to work?
Hill County	And, where is the money to come from for these costs? I know the retirement fund which is already being swept away by SB56. Shirley Isbell, Hill County Superintendent
Joliet	This would have a tremendous negative impact on our retirement budgets and our taxpayers. I believe unemployment insurance is to help those who have lost their jobs, are having trouble getting a job, and need the assistance for a brief period of time. I don't believe it was intended to be used to supplement a job taken knowing fully that a school calendar is followed. We do currently pay health insurance benefits for some of our staff that is off during school breaks. What would happen then? Would we be able to afford to continue to do that for our staff? No, our budgets are limited as it is. Would it be a helpful or harmful check for them then? I am totally against the passage of this bill.
Kalispell	I can't answer yes or no due to contractual obligations, but could speculate that because unemployment benefits would be applied, insurance contributions would cease. In addition all leave accruals would be cashed out and all employees who applied for benefits would be subject to re-hire and re-call per the collective bargaining agreement seniority language.
Manhattan	1. The district MAY continue to provide health insurance, but we would absolutely NOT continue paying the district contribution due to the potential financial impact of an unemployment claim filed during a scheduled school break. The employee would then be responsible for paying the entire monthly premium during the break.
North Star	If we had to pay unemployment on these individuals also, we would have to cut out the health insurance benefits during the summer months. We could not afford to pay both or we would eliminate positions.
Plevna	We would have to take it to the Trustees before we could answer whether we would continue to provide this coverage should the bill pass.
Sidney	District would have to examine whether the District would continue to offer the insurance over the summer months if the bill passed and if it was costly enough to the District Reductions in Force may be considered.

Sun River Valley	We have opposed this bill every time it has been introduced. When people accept a job with a school district it is with the understanding they won't be employed over scheduled breaks. If we have to pay increased unemployment benefits, the district taxpayers will have to pay the premium. This increase is passed on directly to property taxpayers. In light of the fact that the legislators are looking at ways to reduce property taxes, this seems counter productive.
Whitefish	However, if they are considered unemployed and eligible for benefits, would they be considered employees and eligible for health insurance? That would be a question for our insurance provider, currently MUST .
Woodman	We at Woodman have 2 part time aides. The cost of the unemployment would be in excess of \$5,000 compared to the \$35 or so dollars we are now paying. If this goes through without funding it would be an added cost for the district.